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## Current Support Brief

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CONTINUED RAPID GROWTH OF SOVIET-SATELLITE TRADE IN 1962



CENTRAL INTELLIGENCE AGENCY  
Office of Research and Reports

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CONTINUED RAPID GROWTH OF SOVIET-SATELLITE TRADE IN 1962

A further tightening of Soviet-Satellite economic relations during 1962 -- the second year of mutually coordinated long-term economic plans -- is implicit in the results of the trade negotiations between the USSR and the European Satellite countries that were concluded on 20 March 1962 with the signing of the Soviet-Polish trade protocol for 1962. According to the agreements signed (see the tabulation), Soviet-Satellite trade in 1962 is planned to exceed \$7 billion, increasing approximately 12 percent above the nearly \$6.3 billion level planned for 1961. Actual trade in 1962 may be expected to be as high as \$7.3 billion, more than 15 percent above the total estimated for 1961, which failed to exceed planned levels as a result of East Germany's inability to meet plan commitments. With the substantial increase envisioned for 1962, however, Soviet-Satellite trade will have grown at an annual average rate of 11.5 percent during the initial 2 years (1961-62) of mutually coordinated long-term plans, a rate somewhat in excess of the 9.5 percent recorded during 1958-60.

Soviet-Satellite Trade and Trade Agreements 1/  
1960-62

	<u>1960</u>		<u>1961</u>		<u>1962</u>	<u>Increase Above</u> <u>1961</u>	
	<u>Trade</u> <u>Agree-</u> <u>ment</u>	<u>Actual</u>	<u>Trade</u> <u>Agree-</u> <u>ment</u>	<u>Esti-</u> <u>mated</u> <u>Actual</u>	<u>Trade</u> <u>Agree-</u> <u>ment</u>	<u>Trade</u> <u>Agree-</u> <u>ment</u>	<u>Actual</u>
	<u>Million US dollars</u>					<u>Percent</u>	
Bulgaria	575	630	670	690	770	13	10
Czechoslovakia	1,200	1,280	1,350	1,370	1,550	16	13
East Germany	1,875	1,980	2,100	2,000	2,250	7	12
Hungary	500	560	625	610	700	12	14
Poland	750	880	925	975	1,120	19	15
Rumania	500	540	610	610	670	10	10
Total	<u>5,400</u>	<u>5,870</u>	<u>6,280</u>	<u>6,255</u>	<u>7,060</u>	<u>12</u>	<u>13</u>

The implied 12-percent rate of growth in aggregate Soviet trade with the European Satellite countries is nearly twice as high as the 6.5-percent rate of growth planned for over-all Soviet foreign trade. 2/ Provided these respective rates of

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growth are maintained, the Satellite share in the total Soviet foreign trade -- which had held steady during the past few years at approximately 52 percent -- will show a sudden rise to more than 56 percent. Although similar information is not as yet available for all of the Satellite countries, it appears that only Bulgaria and Rumania plan for their total trade to increase more rapidly than their trade with the USSR.

Czechoslovakia has not announced its over-all foreign trade plans thus far, but a reasonable estimate places the likely increase at about 10 percent. Because Czechoslovak trade with the USSR in 1962 is scheduled to increase 16 percent above the level of trade stipulated in the 1961 protocol (13 percent above the level of actual trade in 1961), the share of the USSR in total Czechoslovak trade is expected to increase somewhat above the 1961 level, reported at about 34 percent.

Both Hungary and Poland plan to increase their trade with the USSR more rapidly than their over-all trade. In respect to Hungary, the comparative rates of growth are 14 and 10 percent, respectively, continuing the recent trend of slightly increasing the Soviet share in the total Hungarian trade. In respect to Poland, 1962 plans call for a very substantial increase in trade with the USSR -- 18 percent -- almost three times the increase planned in the total Polish trade -- 6.4 percent -- reflecting the increasingly close Soviet-Polish economic cooperation reiterated in last year's supplementary long-term trade and technical collaboration agreements.

The foreign trade plans of East Germany are still incomplete, but the rate of growth of total East German foreign trade probably will not exceed that planned for trade with the USSR and actually may be smaller. The 12-percent increase announced for Soviet-East German trade is based on the level of trade achieved in 1961 -- about \$2 billion, or 5 percent less than that planned in the 1961 protocol. In fact, in spite of its currently scheduled rapid growth, the level of Soviet-East German trade planned for 1962 exceeds that initially planned for 1961 by only 7 percent, the smallest increase above Soviet trade plan goals for 1961 projected by any of the Satellite countries.

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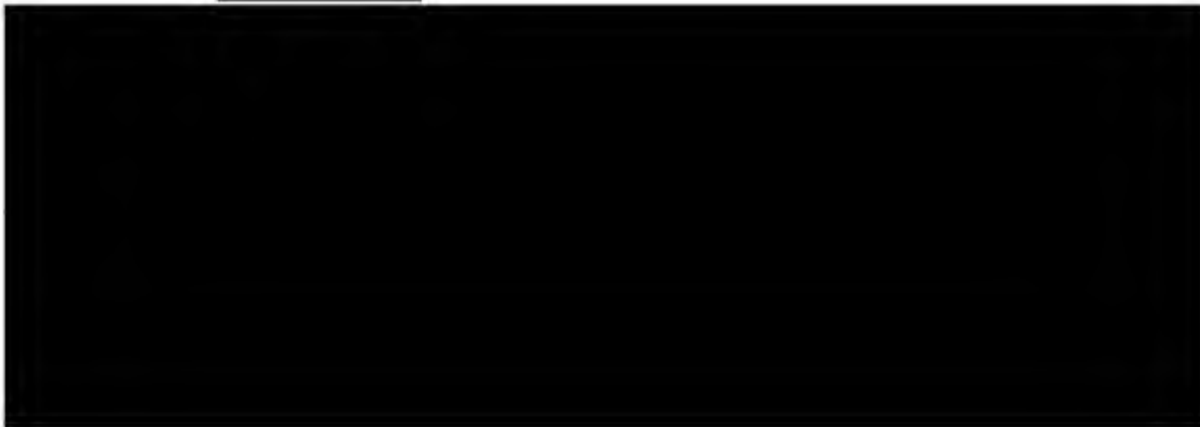
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